COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 8, 2003

PETITION OF

PENN TREATY
NETWORK AMERICA   CASE NO. INS-2003-00003
INSURANCE COMPANY

For review of decision of
Bureau of Insurance

SCHEDULING ORDER

On January 6, 2003, Penn Treaty Network America Insurance Company ("Penn Treaty") filed a petition ("Petition") with the State Corporation Commission ("Commission"), in which Penn Treaty challenges the withdrawal of approval of certain previously approved rate increases by the Bureau of Insurance ("Bureau"). Penn Treaty references §§ 38.2-316 and 38.2-1926 of the Code of Virginia in support of its request that the Commission overturn the decision of the Bureau. Penn Treaty further requests that the Commission suspend the Bureau's withdrawal of approval of the previously approved rate increases pending the outcome of this proceeding.

According to the Petition, the Bureau approved Penn Treaty's requested rate increases for certain forms of long term care insurance, including its Series 2600 and LTCTP-6500 policies on October 4, 2002.[1] Penn Treaty also asserts in its Petition that it has already notified more than 2,600 Virginia policyholders of the increased premiums.

Section 38.2-1926 B of the Code of Virginia provides that the Commission may suspend the Bureau's action pending the outcome of the Commission's decision on the Petition. The Bureau should have the opportunity to provide a response to the Petition before the Commission suspends the Bureau's withdrawal of approval of the previously approved rate increases.

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[1] According to the Petition, the Bureau initially approved the increases in March of 2002.

Accordingly, IT IS ORDERED THAT:

(1) The Bureau file any response to the Petition that it may have on or before January 13, 2003; and

(2) This matter is continued.